
From: Paul Barrett [REDACTED]
Sent: Wednesday, October 24, 2018 3:41 PM
To: J
Subject: RE: Media fund bridge loan

The purpose of the investment is to act as a warehouse facility before the LP money is raised for the fund. For this you get paid 12%. The warehouse is \$50MM. Once they raise the \$50MM from LPs, your investment is repaid and you get to keep a 20% interest in the GP of the fund. The eventual GP profit share could be quite substantial. Wouldn't that be a nice GRAT outcome? The GP payout could be 10 years though. Not sure what the maximum life of a GRAT is.

Paul Barrett

Alpha Group Capital LLC

142 W 57th Street, 11th Floor, New York, NY 10019

[REDACTED]

From: J <jeevacation@gmail.com>
Sent: Wednesday, October 24, 2018 7:20 AM
To: Paul Barrett [REDACTED]
Subject: Re: Media fund bridge loan

why/ a grat. not sure what you mean?

On Tue, Oct 23, 2018 at 6:24 PM Paul Barrett <[REDACTED] <mailto:[REDACTED]>> wrote:

Do you think this would work for a GRAT?

Paul Barrett

Alpha Group Capital LLC

142 W 57th Street, 11th Floor, New York, NY 10019

[REDACTED]

On Oct 19, 2018, at 11:38 AM, Paul Barrett <[REDACTED]

> wrote:

Jeffrey

Passing this along from MS:

MS looking for what is effectively a bridge loan before closing their media/licensing fund. They are paying 12% for what will likely be a 12 month loan (it does have 2x 6 month extensions). After repayment you get a pro-rata 20% of the fund's 20% performance fees. Target size for the fund is \$350MM. They are looking for \$50MM for this loan.

For \$5MM loan:

Assuming you get repaid on the loan, the fund ends up at \$175MM and they achieve 10% IRRs you would be entitled to ~\$650K payout at the end (assumed 7 years)

Assuming you get repaid on the loan, the fund ends up at \$350MM and they achieve 15% IRRs you would be entitled to ~\$2.49MM payout at the end (assumed 7 years)

If they can't raise \$50MM from L.Ps for the fund after 2 years, the loan converts into equity and you own the assets that will be managed by the same G.P. So risk is they can't raise sufficient L.P interests. They plan on raising the fund through their Wealth Management division.

Paul

Paul Barrett

Alpha Group Capital LLC

142 W 57th Street, 11th Floor, New York, NY 10019

[REDACTED]

Begin forwarded message:

From: "Atlas, Andrew S" <[REDACTED]>

Date: October 15, 2018 at 5:03:45 PM EDT

To: "Paul Barrett" <mailto:[REDACTED]>)"

Subject: Warehouse Outreach

Hi Paul,

Morgan Stanley has been engaged by EIIV Group, a newly formed fund manager to structure and syndicate a \$50MM warehouse facility. The \$50MM warehouse will be used to finance the acquisition of a music catalogue and a minority interest in a production company. Please see below for investment highlights.

- * Short-dated warehouse facility offers attractive annual cash yield of 12%
- * Equity interest in proposed fund through retained ownership stake in EIIV GP (i.e., carry)
- * Financing the acquisition of:
 - * The music catalogue of Jeff Bhasker, a well-known songwriter / producer of numerous #1 hits (e.g., Uptown Funk, Girl on Fire)
 - * Minority stake in an independent film and television production company backed by high quality strategic and financial investors, including AMC and the Emerson Collective
 - * EIIV is pursuing a strategic partnership with one of the largest music groups in the world offers strong source of continued music catalogue supply and expertise for fund to leverage
 - * Best-in-class management team with longstanding relationships across music, film and television

Andrew S. Atlas

Senior Vice President

Equity Sales/Middle Markets Group

Financial Advisor

Morgan Stanley Wealth Management

1290 Avenue of the Americas, 12th Floor | New York, NY 10104



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<Project Ellipsis Indicative Term Sheet.pdf>

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